

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Use of the Capital Program Funds

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Purpose

To establish funding methods, administration and control, and allowable uses of the Capital Program Funds

Background

The Capital Outlay Fund was established by the Board of Supervisors in Fiscal Year 1979-80 to provide centralized budgeting and accounting for the County's capital projects. Over the years additional capital funds were added. As a result there are now four funds that comprise the Capital Program funds. One is specific to library capital projects, one is specific to justice or public safety capital projects, one is specific to health and human services capital projects and the last capital fund captures those projects that do not fall into any of the previous categories.

Policy

It is the policy of the Board of Supervisors that:

1. The Capital Program, comprised of four major funds, will be for the funding of County capital projects.
2. A reserve may be established to accumulate funding for future capital projects.
3. The Capital Program Funds shall be used for:
 - the acquisition and construction of new public improvements including buildings and initial furnishings and equipment.
 - land and permanent on and off-site improvements necessary for the completion of a capital project.
 - the replacement or reconstruction of permanent public improvements which will extend the useful life of a structure, including changes in the use of a facility.
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4. The following restrictions shall apply:
 - expenditures which will not extend the useful life of a structure or will only bring the facility to a sound condition are considered maintenance expenses and shall not be funded from the Capital Program Funds

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- feasibility studies, facility master plans or other analytical or research activities which do not relate directly to the implementation of a project shall not be financed from the Capital Program Funds.

- furnishings or equipment which are not considered a permanent component of the facility shall not be funded through these Capital Program Funds.

5. A project scope and budget must be defined and submitted to the Board of Supervisors for approval before project funds can be expended.

6. The Board of Supervisors may appropriate any legal sources of funding to the Capital Program Funds as required for projects or to the Capital Program Funds reserves for future capital projects.

7. All proceeds from the sale of fixed assets (land and structures) shall be allocated to the Capital Program Funds unless otherwise specifically directed by the Board of Supervisors.

8. The Chief Administrative Officer shall establish, through administrative policies and procedures, appropriate controls on the scope of projects and expenditure of funds.

9. Procedures for timely closure of projects and the return of unexpended project funds to the original funding source shall be established by the Auditor and Controller.

10. An annual Capital Improvements Needs Assessment Plan shall be prepared and presented to the Board of Supervisors to guide the development of both immediate and long term capital projects for funding through the Capital Program Funds

Sunset Date

This policy will be reviewed for consideration by 12-31-12.

Board Action

1-2-79 (21)

6-2-81 (14)

7-26-88 (43)

12-12-89 (49)

6-5-90 (43)

10-23-90 (45)

2-12-91 (22)

5/15/96 (11)

8/12/97 (15)

5-16-06 (16)

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CAO Reference

1. Chief Financial Officer/Auditor and Controller